

**OTAY RANCH PRESERVE OWNER/MANAGER (POM)  
PRESERVE MANAGEMENT TEAM (PMT) MEETING**

John Lippitt Public Works Center  
1800 Maxwell Road  
Chula Vista, CA 91911

September 30, 2009  
10am – noon

**AGENDA**

- I. Call to Order**
- II. Approval of POM PMT Meeting Minutes of May 13, 2009**
- III. Public Comment on items not related to Agenda**
- IV. Status Reports** (*Josie McNeeley, Cheryl Goddard, LeAnn Carmichael*)
  - A. Preserve Steward/Biologist Contract**
  - B. Access Issues**
    - 1. Access through other Public Agency lands
  - D. Village 13/Resort Site Update**
- V. Future Infrastructure** (*Cheryl Goddard*)
- VI. Future Preserve Owner/Manager Alternatives** (*Cheryl Goddard*)
- VII. Finance** (*Josie McNeeley*)
  - A. FY08-09 - Budget Actuals**
  - B. Updated 5-year Projected Budget**
- VIII. Proposed Policy Committee Agenda** (*Cheryl Goddard*)
- IX. Next PMT Meeting**
  - A. TBD**
- X. Adjournment**

**DRAFT Meeting Summary**  
**Otay Ranch POM PMT Meeting**  
County Administration Center, Room 302/303  
1600 Pacific Highway  
San Diego, CA 92101

May 13, 2009  
1:30 – 3:30 pm

**ATTENDEES:**

**City of Chula Vista**

Gary Halbert, Deputy City Manager  
Jill Maland, Deputy City Attorney  
Marisa Lundstedt, Principal Planner  
Josie McNeeley, Associate Planner  
Amy Partosan, Administrative Analyst

**County of San Diego**

Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group  
Mark Mead, County Counsel  
Renée Bahl, Director, Department of Parks and Recreation (DPR)  
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use  
Cheryl Goddard, Land Use Environmental Planner, DPR

**Public** (*per attached sign-in sheet*)

Amber Himes, U.S. Fish and Wildlife Service  
Libby Lucas, CA Department of Fish and Game  
Curt Noland, Otay Land Company  
Bob Penner, Otay Land Company  
Justin Craig, McMillin Companies

Agenda Item Numbers noted in parentheses

1. **Call to Order**  
(I.) Meeting called to order at 1:38 pm by County of San Diego/CHANDRA WALLAR.
2. (II.) City of Chula Vista/GARY HALBERT motioned to approve the meeting minutes. Motion seconded by WALLAR. Motion carried.
3. **Public Comment on items not related to Agenda**  
(III.) WALLAR opened and closed with no comment.

#### **4. Status Report**

**(IV.A.)** City of Chula Vista/JOSIE MCNEELEY reported on the Preserve Steward/Biologist Scope of Work and Contract. Pursuant to the last Special PMT meeting held in March, POM staff revised the scope of work. At that time, the City of Chula Vista agreed to administer the contract. The Request for Proposal has been advertised and will be out for approximately 3 weeks. POM staff anticipates reviewing submittals by the end of the month and the Biologist on board in July.

HALBERT thanked POM staff for working on the scope of work and contract so quickly since the last PMT meeting.

**(IV.B.)** County of San Diego/CHERYL GODDARD reported on future POM alternatives. A Working Group meeting was held on March 24<sup>th</sup> to discuss the alternatives. The Group mainly focused on Preserve lands east of Otay Lakes. The Wildlife Agencies' land managers including Andy Yuen and Jill Terp from the National Wildlife Refuge and Tim Dillingham from the Dept. of Fish and Game were in attendance. They shared a willingness to take over management of lands east of the lakes. Subsequent to the Working Group meeting, POM staff attended the Land Managers Coordination meeting held May 12<sup>th</sup>. Land managers from the Wildlife Agencies, BLM, and the City of San Diego Water Department were in attendance. The land managers at this meeting were all receptive to the idea of managing the Preserve lands east of the lake. POM staff has also drafted Implementation Steps and Timelines. The next steps for POM staff is to schedule a follow-up meeting with the Resource Agencies, schedule a Working Group meeting to flush out alternatives, and to provide a recommendation to the PMT and PC at their next regularly scheduled meetings ranking the order of preference of alternatives. The next meetings are anticipated to take place this August and September.

WALLAR stated that it appears there have been good discussions for lands east of the lakes which is great.

GODDARD stated yes and that out of the 11,000+ acre Otay Ranch Preserve, lands east of the lakes accounts for approximately 8,500 acres.

HALBERT directed POM staff to look at the alternative POM structures as if the lands east of the lakes are to be transferred to other agencies. Currently the POM Alternatives table does a good job describing alternatives as if the lands aren't going to be transferred to other agencies.

GODDARD stated POM staff would do so.

WALLAR stated that POM staff should move as quickly as our partners are comfortable to make agreements to have lands east of the lakes transferred for management.

GODDARD stated that POM staff will continue to actively work with the agencies. A site visit with the various land managers is anticipated for mid-June and a follow-up meeting with them is scheduled for July 23<sup>rd</sup>.

**(IV.C.)** GODDARD reported on Preserve access issues. The POM requires legal and physical access to conveyance lands before it will accept fee title to it. McMillin Companies and Otay Ranch Company have proposed conveyance lands which are currently accessed through an existing dirt road which traverses across City of San Diego Water Department and Dept. of Fish and Game lands. POM staff sent Right of Entry request letters to the City of San Diego and the Department of Fish and Game on April 28<sup>th</sup>. At the Inter-agency Land Managers meeting, Karen Miner of the Dept. of Fish and Game and Niki McGinnis of the City of San Diego Water Department both said that they would be able to review the request this week and would hopefully have a response the following week.

WALLAR asked if there any issues with issuing the right of entry such as if there were fees involved to process the request.

GODDARD stated that the City of San Diego Water Department typically charges \$600 to process right of entry requests. Speaking to Niki yesterday, she thinks she can write a statement of benefit that would allow the Department to waive the fee. Niki will have to verify this with their Real Estate Division.

HALBERT stated that WALLAR and he just discussed that if there is a fee involved that the City and County could split the cost.

WALLAR directed POM staff to keep HALBERT and herself updated before the next PMT meeting via email as to the progress of obtaining the right of entry. If their assistance is needed to contact the Water Department or the Dept. of Fish and Game, they are available to do so.

**(IV.D.)** GODDARD reported on the proposal to vacate and substitute conveyance lands north of Village 13/Resort site. Otay Ranch Company has offered ~963 acres of conveyance lands via an Irrevocable Offer of Dedication (IOD) and recorded Opens Space Easement. The IOD has been acknowledged by the POM but has not been accepted due to the proposed development and Preserve boundary modifications associated with the Village 13 entitlement and permitting process. Otay Ranch Company has expressed that their reasons for proposing to vacate and substitute the conveyance lands is to allow the POM to accept fee title to the conveyance land. The substitution land is located within the San Ysidro Parcel. Once the land conveyance land is vacated and replaced, Otay Ranch Company is proposing to use that area as the conveyance obligation associated with the Village 13 development project.

WALLAR asked for the timeframe on this proposal.

GODDARD stated that Otay Ranch Company is in the process of putting together their application and anticipates the application to be submitted to the County and the City within the next few weeks. The County's Department of Planning and Land Use will process the application for the County. Speaking a planner at the department, it will likely take 2-3 months to get the project to a Board of Supervisors hearing.

WALLAR asked if Village 13/Resort Site will have impacts on the replacement and substitution.

ROB CAMERON stated that there will not be any impacts to the substitution lands. There will be impacts to the area being vacated as associated with the Resort Site project however the vast majority will remain as preserve.

WALLAR asked if the replacement and substitution will cause any duplication in effort.

CAMERON stated no.

HALBERT asked if there will be a new Preserve design based on the proposed vacation and substitution.

CAMERON stated that the Preserve design will not change based on the vacation and substitution process. The exact same acreage that is proposed will be conveyed as substitution land. As a part of the Resort project there will be Preserve modifications. Ultimately, the Resort site will convey its conveyance obligation within the area that is currently being proposed for vacation.

GODDARD stated that any impacts to the Preserve associated with the Village 13/Resort Site project will be discussed and analyzed in its EIR.

**(IV.E.)** GODDARD reported on the Phase 2 Resource Management Plan (RMP) Update. POM staff has been working with the Otay Ranch Company who has submitted an updated version at the end of 2008. The changes include updating figures, including the Preserve boundary to make the County and the City's boundary consistent, including development/Preserve acreage accounting to-date, includes budget assumptions, and actions taken by the Policy Committee, the Board of Supervisors, and City Council to-date. POM staff met with Otay Ranch Company in February to discuss the changes and has a follow-up meeting scheduled for June 4<sup>th</sup>. POM staff will return to the PMT and PC and provide a recommendation to direct staff to docket the item for Board of Supervisors and City Council action.

WALLAR stated that she would like to move quickly on the update. WALLAR asked if bringing the item back to the PMT and Policy Committee will delay the process.

GODDARD stated that it would not slow the process down. After POM staff has a draft final version written, it is envisioned that the selected Preserve Biologist will review the written draft final and assist in the technical aspects of the Biota Monitoring Program. As mentioned by MCNEELEY, the Preserve Biologist is anticipated to be selected by the end of July.

City of Chula Vista/MARISA LUNDSTEDT stated that most of the changes submitted by Otay Ranch Company are a clean-up effort to bring the document up-to-date. Nothing significant has changed.

WALLAR stated that if there are no significant changes, the PMT should leave itself open to not having POM staff bring back the document for PMT review.

HALBERT made a motion that Phase 2 RMP not return back to the PMT but instead move forward to the Policy Committee.

WALLAR concurred and seconded the motion.

GODDARD stated that moving Phase 2 RMP forward to the Policy Committee wouldn't save any time since there is a PMT meeting that is typically scheduled prior to the Policy Committee meetings.

WALLAR asked if it was necessary for the Policy Committee to review the document or could it go straight to the Board of Supervisors and City Council if POM staff is in consensus.

HALBERT stated that he was not comfortable with making that motion. The Policy Committee may make that motion at their next meeting scheduled for May 29<sup>th</sup>.

WALLAR asked for clarification. Is the direction for POM staff to have Phase 2 RMP ready to go by our next PMT meeting so that it is ready for the Policy Committee to provide direction on?

HALBERT stated no. The direction is that POM staff does not need to return to the PMT with the updated Phase 2 RMP document and that the Policy Committee can make a similar motion if they desire to do so at their May 29<sup>th</sup> meeting.

WALLAR agreed.

GODDARD stated that POM staff would note that there should be a discussion at the May 29<sup>th</sup> Policy Committee regarding whether Phase 2 RMP should return to the Policy Committee or not prior to docketing to the Board of Supervisors and the City Council.

## 5. Future Infrastructure

(V.) GODDARD reported on future infrastructure. POM staff and County and City legal counsels attended a mediation session with retired judge May on April 17<sup>th</sup>. At the outcome of the mediation session, the mediator recommended that POM staff amend the JPA and any related policy documents to clarify that each respective entity is to control the siting of future infrastructure facilities on Preserve land which is within their respective jurisdictions and that siting decisions should occur only after requesting, receiving, and considering recommendations from the POM. It is POM staff's recommendation to implement the mediators written recommendation date April 21, 2009 as a part of the Phase 2 RMP update; direct legal staff to continue coordination on language to be included in conveyance documents which grants an easement for future facilities to the jurisdiction in which the facility is to be located; and if consensus is reached amongst legal staff, POM staff may proceed with acceptance of conveyance lands in which future infrastructure is the only outstanding issue.

City of Chula Vista/JILL MALAND stated that the mediator's recommendation included amending the JPA which will require action from the City Council and Board of Supervisors. MALAND asked for direction for the legal counsels to work through JPA amendment language, language to be included in conveyance transfer documents, and the process in which the POM is to provide its recommendation on the siting of the infrastructure.

HALBERT made a motion to provide direction to legal counsels to work on language to implement the mediator's recommendation.

WALLAR seconded the motion. WALLAR asked how many pending conveyance acres are being held up by future infrastructure alone.

GODDARD stated 114 acres.

CAMERON asked for clarification regarding POM staff's recommendation. The mediator's recommendation was for each jurisdiction to have authority over the siting of future facilities within their jurisdiction but it is staff's recommendation to come to agreement on language to amend the JPA and to be included in the conveyance documents. POM staff had to go to mediation because they couldn't come to an agreement. Are we back to where we started?

WALLAR stated that the County and the City are now in agreement that each jurisdiction is to have authority over the siting of future infrastructure within its own jurisdiction. The legal counsels will need to define the language to be included in the JPA and conveyance documents that relay that thought.

CAMERON asked if the City has come up with language that is acceptable to them, does the County have any say in it?



County of San Diego/MARK MEAD stated that the County and the City are working on language that is acceptable to both jurisdictions. We are close to coming to agreement.

CAMERON stated that there is no agreement in place.

MEAD stated that we are close to coming to an agreement.

CAMERON stated that POM staff has been working on language over the last 2 years.

GODDARD stated that the County has worked off the language proposed by the City. The County has provided comments to the City in that the County is concerned that the language only addresses biological resources through compliance of the City's MSCP and the County has requested that indemnification language for the County be added to the language for lands located within the City's jurisdiction.

MALAND stated that we are now closer to agreement in the sense that both jurisdictions agree that each entity is to have control over the siting of future infrastructure within their jurisdiction. Now it is a matter of coming to agreement on how to implement the mediator's recommendation and that is what MEAD and MALAND are in the process of doing. The County and the City are close to coming to agreement.

CAMERON stated that he was glad to hear the County and the City are close to reaching an agreement. It is concerning that even after mediation the County and the City still need to reach consensus on language even though the mediator rendered his recommendation.

HALBERT stated that the County and City couldn't come to consensus on how to implement the JPA and the mediator's recommendation is to clarify the JPA and other policy documents. It isn't the same issue at all and it appears that staff is close to reaching an agreement.

LUNDSTEDT stated that its staff's recommendation to allow legal staff to work through language so that POM staff doesn't have to come back through the PMT and Policy Committee before moving forward with acceptance of the pending conveyance lands in which future infrastructure is the only outstanding issue. Prior to the mediation session there was not consensus on whether or not language should even be included on the conveyance documents. Now we have consensus to include language and that is what legal counsel is working on. It is more word-smithing than anything else.

CAMERON stated that he takes comfort in hearing the County and City are close to agreement from both the legal staff and POM staff.



WALLAR stated that she still has some concerns over the philosophy of this issue but there is agreement that we have spent a lot of time on the issue and it's not worth any more time to spend on it. The County may not agree with the basic philosophy but it's not worth the additional effort and we need to move forward.

RANIE HUNTER asked if the JPA needed to be amended before the pending conveyance lands could be accepted.

GODDARD stated no. Once there is agreed to language included in the conveyance document, it will allow the County and the City to move forward with accepting the fee title transfer.

MALAND stated that we are trying to take the approach that would not delay acceptance. Although we will need to amend the JPA it is not required to accept the lands.

LIBBY LUCAS asked if there are any infrastructure that could be linear and traverses through both jurisdictions.

GODDARD stated that future infrastructures are those we aren't aware of at this time. There is always a possibility that a facility could traverse through both jurisdictions but we are not aware of any to-date.

LUCAS asked how the mediator's recommendation could be implemented if the facility traversed through both jurisdictions.

WALLAR stated that it was contemplated and that's why both jurisdiction aren't comfortable. We will have to address that issue if and when it occurs. At this time we do not know of any such project.

HALBERT stated that if it were to occur, the same issues would arise even if the Preserve there. If infrastructure needs to cross jurisdictional boundaries, you will need to work with the other jurisdiction.

GODDARD clarified that as a part of POM staff's recommendation, we would be moving forward with the JPA amendment as a part of the Phase 2 RMP update as both require Board of Supervisors and City Council action.

WALLAR stated that the JPA amendment would not hold up acceptance of pending conveyance.

GODDARD stated that is correct.

## 6. Finance

**(VI.A.)** MCNEELEY reported on the FY08-09 Budget Actuals. The beginning fund balance for CFD 97-2 was \$376,818. The estimated budget for FY08/09 was \$505,000. The City levied for \$510,339. As of May 12<sup>th</sup>, the revenues received totals \$392,082. Expenditures to-date is \$140,954 with additional expenditures expected before the end of the fiscal year. The current fund balance is \$642,965. For this fiscal year, we have expended the administrative portion of the budget. As we discussed, we have been addressing the future infrastructure issues and there have been new legal staff assigned to the project this year so it was a matter of getting staff up to speed. As we look towards the 4<sup>th</sup> quarter we will be cautious in the administrative charges however keeping in mind that we will be working on amending the JPA and the future infrastructure language to be included in the conveyance documents. Preserve Operations and Maintenance total through Quarter 3 is ~\$23,500. Fencing and signage was not needed through Quarter 3. Under Resource Monitoring, POM staff anticipates expending \$340,000. The budget currently lists the line items under this category as Biological Resources: Expanded/Enhanced Baseline Survey OR Active Management; Biological Resources On-going; and Baseline Survey. Since we now have an approved Scope of Work for a Preserve Steward/Biologist, the money listed for those line items will be used to fund the Preserve Steward/Biologist contract and will be rolled over to the following fiscal year. Expenditures through Quarter 3 totals ~\$141,000. Expected expenditure for Quarter 4 is projected at ~\$46,500.

WALLAR asked for an updated regarding CFD 97-2 collections.

MCNEELEY stated that as of May 12<sup>th</sup>, \$392,082 has been collected. This includes payments for both the first and second installments. Looking at the 5-year projected budget table, a 21% delinquency has been factored in. That is looking at just the first installment. For the first installment, staff anticipated collection of \$255,000. Collections were short of that by ~\$21,000. The second installment was due April 10<sup>th</sup>. It has only been a few weeks since that due date. Additional payments from delinquent owners is anticipated. For example, last year an 8.17% was factored in as the delinquency rate. The City's finance staff has updated that number and through additional collections through the year, the delinquency rate has dropped to 2.5%. We continue to see a drop in the delinquency rate from this year and the previous years.

WALLAR asked if staff will be proposing reductions in the budget to account for the delinquency.

MCNEELEY stated that City POM staff has spoken with the City's Finance staff and at this point it's too early to factor in the delinquency rate. With the FY 09-10 budget a delinquency rate was factored in and adjusted accordingly. Seeing as 79% of the CFD installments has been collected, the City anticipates collecting the remainder amount. With the first installment, a 21% delinquency rate has been factored in. This is a dollar amount delinquency rate. Finance staff also

determines a parcel delinquency rate. Currently the City levies 10,212 parcels. Of those 10,212 parcels, only 864 parcels have not paid. This is an 8.5% by parcel delinquency rate. We need to look at both delinquency rates - the 21% dollar amount and the 8.5% by parcel amount to see the complete picture. The 21% dollar amount is tied to a few owners. A fair amount of the delinquent dollar amount is also tied to larger developers. Once the delinquency amounts are paid, the delinquency rates will also be reduced.

HALBERT stated that the number of Notices of Default have skyrocketed over the last two months and the delinquency rate may grow slightly. The good news is that properties are turning over fairly quickly. The number of parcels in default shouldn't pick up much more than where it is right now. Also there is a concern of default from the larger developers and the City is actively pursuing those payments. Hopefully we will be in better shape the next time we meet. Another observation on the budget is that the vast majority of expenditures to-date has been on administrative costs. Once the Preserve Steward/Biologist is hired, the money should be spent on work completed in the field. Hopefully that will turn around this year and in the future it would be nice to see the administrative costs drop to around the 15% mark rather than be at 25%.

GODDARD stated that POM staff is actively working on the POM Alternatives and the Phase 2 RMP Update. There may not be a drop in administrative costs until these documents are completed and the Preserve Steward/Biologist is on board and up-to-speed on the Preserve.

**(VI.B.)** MCNEELEY reported on the revised FY09-10 budget. The FY09-10 budget was presented to the PMT the at their January 23<sup>rd</sup> meeting. A handout has been included that shows the changes made to the FY09-10 budget presented at the January meeting and the revised budget being presented at today's meeting. At the March special PMT meeting, the PMT directed staff to use identified rollover funds for the Preserve Steward/Biologist contract. The funds that were associated with Park Ranger, Preserve Operation and Maintenance, and Resource Monitoring have now been allocated to the Preserve Steward/Biologist. The total budget numbers remain the same. The line items have been adjusted per PMT direction at their March 17, 2009 meeting.

AMBER HIMES asked if any funds have been expended for fencing or signs.

GODDARD stated that to-date, funds have not been expended for fencing or signs however the cost for new signage is anticipated. The new signs will identify environmentally sensitive areas and will be co-located with signs prohibiting off-road vehicle use in the Salt Creek POM managed property.

**(VI.C.)** MCNEELEY reported on the updated 5-year POM budget projection. The 5-year budget has been updated to reflect the current number of taxable parcels which is currently 10,212; delinquency rate for the first installment, which is

currently 21%; and the cost to implement the Preserve Steward/Biologist contract. Staff will update the 5-year budget with updated numbers including the delinquency rate. As currently shown, we will need to dip into the reserve significantly if we continue at this rate.

WALLAR stated that we will definitely need to keep the delinquency rate updated. Additionally, at future meetings, the PMT will be relying on staff to make recommendations on the budget to insure that the reserve amounts are at the appropriate level.

MCNEELEY stated that City Finance staff recommended reviewing the 5-year budget annually every August or September when the tax roll has been with the County for an entire year. The timing will provide for a more accurate average delinquency rate to apply towards the following fiscal years.

WALLAR stated that the next time we meet, staff should have the analysis completed and a recommendation on how to get the reserve to the required 50% level.

MCNEELEY stated that the projected budget proposal for Operational Expenditures and Survey Expenditures will be updated annually. As a footnote to the budget, the Preserve Steward/Biologist will complete an annual work plan identifying priority projects. As the priority projects are identified and POM staff agrees they need to be completed, the budget will be adjusted.

HALBERT stated projecting a 5-year budget which assumes no-growth in the number of taxable parcels and a default rate of 21% is very unrealistic. It is better to project out a couple of years. Looking too far out with all the assumptions may be too unrealistic. Looking at the reserves should be a short-term focus.

WALLAR stated she agreed. If the FY09-10 budget needs to be adjusted based on the delinquency rate, it should be adjusted as early as possible.

MCNEELEY stated staff did adjust the FY09-10 budget using the 5-year forecast as a tool.

GODDARD stated that the next PMT meeting will be timely as MCNEELEY stated that the 5-year projections should be reviewed every August/September and the next PMT meeting will be scheduled around that timeframe. The table will also be updated to reflect that we anticipate 1700 acres to be conveyed to the POM with resolution to future infrastructure, access issues, and if the conveyance vacation/substitution is completed north of the Village 13 site. The budget will be adjusted to reflect management and surveying of these new lands.

**7. Next PMT Meeting**

**(VII.)** GODDARD stated that the next PMT meeting has not yet been scheduled. POM staff typically works with our Policy Committee members 'schedules first in scheduling Policy Committee meetings and then works from there to schedule the PMT meetings. We anticipate the PMT to meet again in August and the Policy Committee in early September.

WALLAR asked if there were any issues working with the Policy Committee members in scheduling the Policy Committee meetings.

MCNEELEY stated that Deputy Mayor McCann has a new aide and staff is working through his aide to schedule the next meetings. The meetings should be scheduled within the next few weeks.

**8. Adjournment**

**(VIII.)** WALLAR asked if there were any public comments. Seeing no comments, the meeting was adjourned at 2:25pm.

## ATTACHMENT A

## MEETING SIGN-IN SHEET

**Project:** Otay Ranch Preserve  
Preserve Management Team (PMT)

**Meeting Date/Time:** May 13, 2009, 1:30-3:30 pm

**Place/Room:** County Administration Center, Room 212 Drake Conference Room  
1600 Pacific Highway  
San Diego, CA 92101

[illegible]



PLANNING AND BUILDING DEPARTMENT  
September 14, 2009

Ms. Niki McGinnis  
Watershed and Resource Protection  
City of San Diego Public Utilities Department  
600 "B" Street, 11<sup>th</sup> Floor, MS 911  
San Diego, CA 92101

Subject: Right of Entry Request to Otay Ranch Preserve Lands

Dear Ms. McGinnis:

The City of Chula Vista and County of San Diego, serving as the Otay Ranch Preserve Owner/Manager (POM), thank you for taking the time to meet with us on July 20<sup>th</sup>, 2009, to discuss access on to City of San Diego owned parcels for the purpose of accessing adjacent Otay Ranch Preserve parcels to implement long-term biological resource management and monitoring. Pursuant to our meeting, Mr. Lane MacKenzie, City of San Diego, Real Estate Assets Manager, requested additional information that would assist the City of San Diego in preparing and issuing the Right of Entry (ROE) permit to the City and the County, as the POM. This letter has been prepared to provide the information requested by Mr. MacKenzie and confirm the POM's understanding of the terms of the permit and anticipated timing for issuance.

Assessor Parcel Number(s) and Location of City of San Diego Owned Parcels:

The following is a complete list of assessor parcel numbers for the City of San Diego owned parcels that will be accessed. The attached Exhibit "A" provides a regional perspective of the City of San Diego owned parcels relative to the Otay Ranch Preserve.

APN 595-050-12  
APN 595-050-13  
APN 647-020-11  
APN 647-030-02

Exhibits "B" and "C" show the exact location of the above parcels and the access roads to be used by the City, County, and/or its designee are shown on the.

Purpose of Right of Entry

The City, County, and/or its designee (consultants) will need access the above parcels using existing dirt roads as it passes through the parcels for the purpose of implementing management and monitoring of the biological resources on Otay Ranch Preserve parcels located immediately adjacent and/or surrounding the parcels in question. More specifically, the roads will be used to complete biological surveys, enhancement/restoration projects (as needed), maintenance and monitoring, and basic stewardship on POM managed lands.



Type of Vehicles to Access Parcels

It is anticipated that the City, County, and/or its designee will be using sport utility vehicles with 4-wheel drive capabilities. These vehicles are likely to be marked with logos indicating their affiliation.

Frequency of Access

The access roads may be used approximately two to three times per week. It should be noted that the use of the access roads on the parcels referenced above may increase for short periods of time when biological resource surveys are being conducted and/or enhancement/restoration projects are in progress.

As we discussed at our meeting in July, City of San Diego staff indicated that two separate ROE permits would be issued to the POM. One permit will provide right of entry on the two parcels located southeast of the Lower Otay Lakes Reservoir (APN 647-020-11 and 647-030-02 shown on Exhibit "B"), and another permit would be issued for the two parcels located north of the Lower Otay Lakes Reservoir (APN 595-050-12 and 595-050-13 shown on Exhibit "C"). Also at the meeting, POM staff was informed that once Mr. MacKenzie received the information requested above, City of San Diego staff could prepare and issue a permit to the POM within a 1-month time frame. Finally, POM staff understands that the term of the ROE permits would be for a period of three years. In the event the POM needs to extend the permits, a written request to the City of San Diego would be required for an amendment to the permits to be processed.

POM staff looks forward to working with the City of San Diego on the conservation, management, and monitoring of Otay Ranch Preserve lands. If you have any questions regarding this letter, please contact me at 619-409-5422 or [jmcneeley@ci.chula-vista.ca.us](mailto:jmcneeley@ci.chula-vista.ca.us) or Megan Hamilton, County Group Program Manager at 858-966-1377 or [megan.hamilton@sdcounty.ca.gov](mailto:megan.hamilton@sdcounty.ca.gov).

Sincerely,

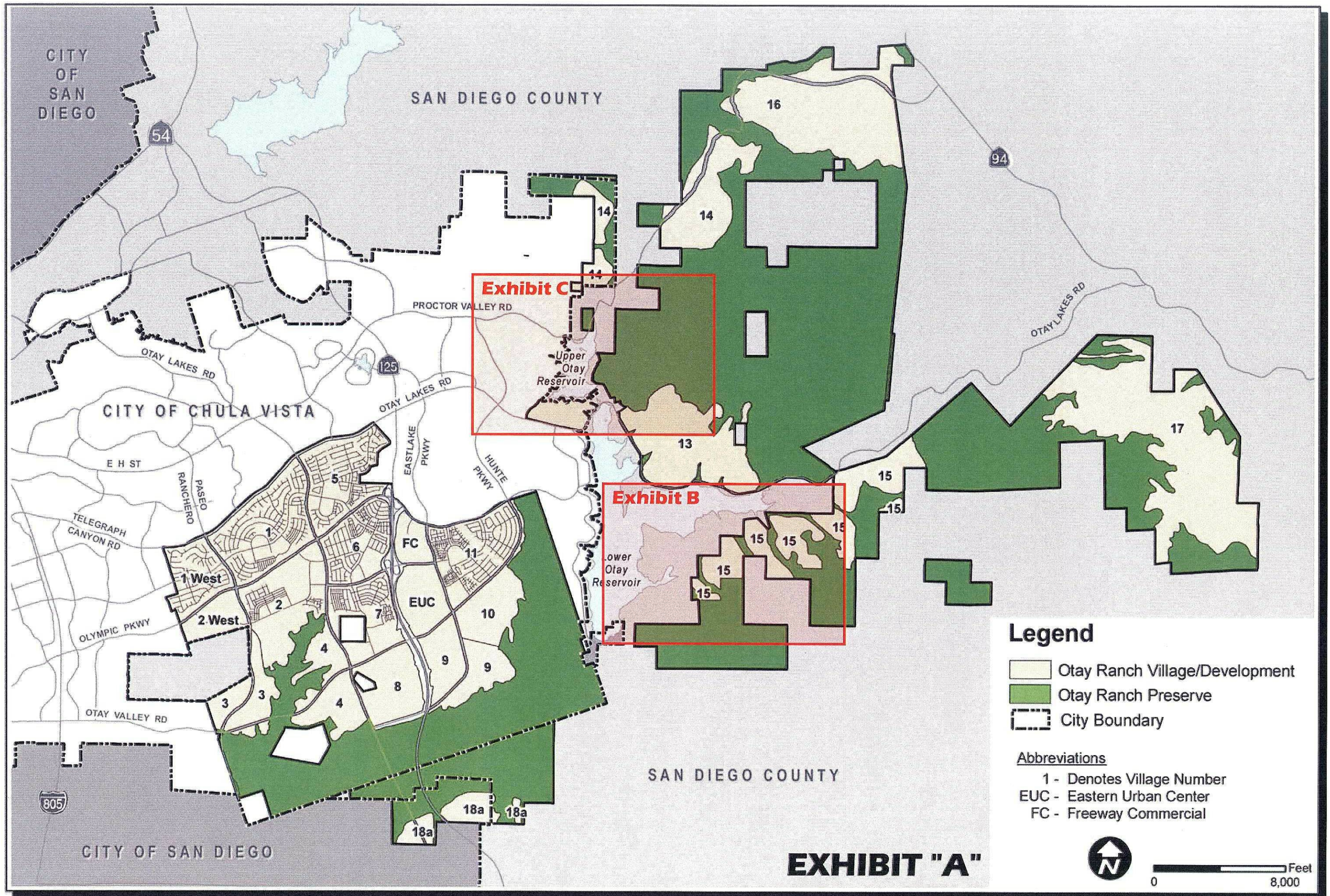


Josie McNeeley  
City of Chula Vista, Associate Planner

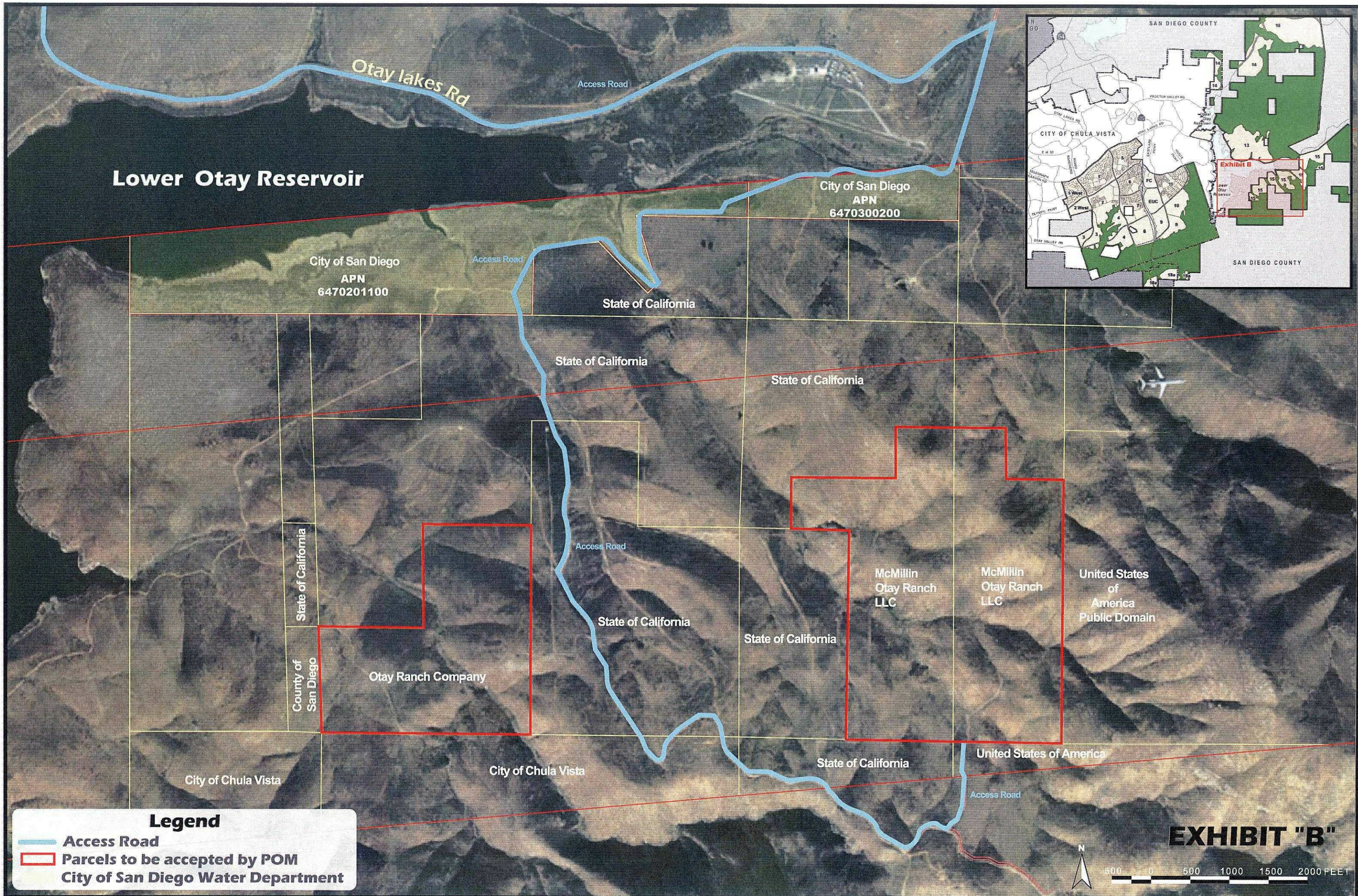
cc: Lane MacKenzie, City of San Diego, Real Estate Assets Manager  
Marisa Lundstedt, City of Chula Vista, Principal Planner  
Megan Hamilton, County of San Diego, Department of Parks and Recreation, Group Project Manager  
Cheryl Goddard, County of San Diego, Department of Parks and Recreation, Environmental Planner



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**Lower Otay Reservoir**

City of San Diego  
APN  
6470201100

City of San Diego  
APN  
6470300200

State of California

State of California

State of California

County of  
San Diego  
State of California

Otay Ranch Company

State of California

State of California

McMillin  
Otay Ranch  
LLC

McMillin  
Otay Ranch  
LLC

United States  
of  
America  
Public Domain

City of Chula Vista

City of Chula Vista

State of California

United States of America

**Legend**

- Access Road
- Parcels to be accepted by POM  
City of San Diego Water Department

**EXHIBIT "B"**





**Otay Ranch Preserve Owner Manager (POM) Policy  
regarding the  
Placement of Infrastructure Facilities  
within the  
Otay Ranch Preserve**

September 30, 2009

**Recommendation:**

Approve the Otay Ranch Preserve Owner Manager (POM) Policy regarding the placement of infrastructure facilities within the Otay Ranch Preserve, which includes the following:

- A. Direct POM staff to prepare corresponding amendments to the RMP2 and Joint Powers Agreement (JPA) in accordance with the recommendation provided by the mediator, Honorable Robert E. May (dated April 21, 2009). The amendments to the RMP2 and JPA shall be presented to the County Board of Supervisors and the Chula Vista City Council for consideration and adoption;
- B. Approve infrastructure language to be included in those conveyance documents that are pending and future acceptance by the POM due to matters related to future infrastructure; and
- C. Approve the POM process for commenting on the Placement of Infrastructure Facilities within the Otay Ranch Preserve.

**Purpose:**

The Otay Ranch General Development Plan/Subregional Plan (GDP/SRP), Otay Ranch Resource Management Plans (RMP, Phases 1 and 2), the County of San Diego's South County Multiple Species Conservation Program (MSCP) Subarea Plan and the City of Chula Vista's MSCP Subarea Plan acknowledge and recognize that infrastructure facilities may be placed within the Otay Ranch Preserve. Pursuant to the RMPs, "*infrastructure facility*" includes a road, sewage, water, reclaimed water, or urban runoff facility. The siting of infrastructure facilities within the Otay Ranch Preserve must comply with all criteria set forth within the Otay Ranch GDP/SRP, RMPs, and the County and the City's respective MSCP Subarea Plans.

**A. Implement Mediator's Recommendation:**

The City and County participated in a mediation session held in April 2009. Following the mediation, the mediator, Honorable Robert E. May, provided the following recommendation (dated April 21, 2009):

"The Mediator would recommend that the JPA and any related policy documents be amended to allow the respective entities to control the siting of future facilities on Preserve land, which is within the respective boundaries. However, any decision made should occur only after requesting, receiving, and considering any recommendation from POM."

At the last Policy Committee meeting, POM staff was directed to implement the mediator's recommendation as a part of the RMP2 update. This policy ensures the Phase 2 RMP and Otay Ranch Joint Powers Agreement will be updated to incorporate the language set forth below and

clarify the role of the POM in the siting of the future infrastructure. POM staff anticipates bringing these documents forward for the County Board of Supervisors (County Board) and Chula Vista City Council (City Council) consideration by Spring 2010.

## **B. Infrastructure Language:**

Per Phase 2 RMP, open space conveyance obligations have been offered to the County of San Diego and City of Chula Vista within the Otay Ranch Preserve. Some of the conveyance documents included language reserving easements for the siting of infrastructure. This policy is intended to clarify the language to be included in conveyance documents.

Pending and future conveyance documents offering open space land to the County of San Diego and the City of Chula Vista in accordance with a conveyance obligation per the Otay Ranch RMP Phase 2 shall include the following provision:

“Granting unto the [(City of Chula Vista) or (County of San Diego)] an easement for infrastructure facilities (“Facilities”). This easement includes the right, but not the obligation, to construct, install, maintain, repair, and reconstruct the Facilities, and an easement for ingress and egress over the property conveyed hereby to the extent reasonably necessary to hook into existing infrastructure facilities and to effect any such construction, installation, maintenance, repair, or reconstruction of the Facilities. This easement, when conveyed and transferred to the [(City) or (County)], shall be appurtenant to the real property owned by the Grantor as described in the instrument conveying this easement. Prior to approving the siting of Facilities within the easement, the [(City) or (County)] shall request and consider written comments from the Preserve Owner Manager on the proposed location.”

## **C. POM Process for Commenting on Placement of Infrastructure Facilities**

Pursuant to the mediator’s recommendation, the City and County are in agreement that the siting of Facilities within the Otay Ranch Preserve shall be controlled by the jurisdiction within which the Facilities are to be located. However, prior to approving the siting of infrastructure facilities, the jurisdiction in which the facilities are to be located shall request and consider written comments from the POM on the proposed location of the infrastructure facilities. The following process is being presented to the PMT consideration and adoption:

- POM staff of the jurisdiction in which the proposed infrastructure is to be sited shall notify POM staff of the remaining jurisdiction about the proposed the project as soon as reasonably possible.
- If POM staff jointly determines the proposed siting of the infrastructure meets the criteria set forth within the Otay Ranch GDP/SRP, RMPs, and the County and the City’s respective MSCP Subarea Plans, POM staff shall provide the comments to the jurisdiction in which the infrastructure is to be located.
- If POM staff cannot come to consensus on the proposed infrastructure location, a special PMT meeting will be scheduled to present the matter to the PMT for resolution.

- If the PMT cannot come to consensus, the PMT shall direct POM staff to prepare separate recommendations to the jurisdiction in which the proposed infrastructure is to be sited. The PMT representatives shall provide their respective POM staff members with specific direction and input to be included in the written siting recommendation, such that another PMT meeting will not be required to approve the recommendation. POM staff shall then forward their respective recommendations to the jurisdiction in which the infrastructure is to be sited.
- This process shall be completed within 45 days of notice of the proposed project, or prior to the close of any applicable public comment period, whichever is longer.

## **FUTURE POM ALTERNATIVES**

### *Summary of Alternatives*

September 30, 2009

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#### **EXISTING POM**

- Per JPA, current POM responsibilities are generally allocated as follows:
  - Resource Protection, Monitoring and Management - County
  - Environmental Education - City
  - Research - City
  - Recreation - City
  - Law Enforcement - Shared responsibility based on jurisdiction
- RECON has been retained to serve as the Preserve Steward/Biologist implementing basic stewardship, management, and monitoring tasks on currently owned POM lands.
  - Although the County was directed to be responsible for Resource Protection, Monitoring and Management of the Preserve per the JPA, the City has agreed to administer the contract for the Preserve Steward/Biologist
- City and County maintain the responsibility for reviewing all activities and amendments to the GDP or RMP or both that potentially effect the integrity of the Preserve.
- Ownership of preserve lands: Fee title is held by the City and County
- Policy Decisions: POM Policy Committee – City & County
- Funding: City CFD 97-2 & County will require V13 & V17 to create a CFD or like funding mechanism

#### **OTHER PUBLIC AGENCIES (REFUGE, BLM, CDFG, & CISD) MANAGE CONVEYED LANDS EAST OF OTAY LAKES/DETERMINE APPROPRIATE POM FOR REMAINING CONVEYED PRESERVE LANDS**

- Per Baldwin Agreement, U.S. Fish and Wildlife Services (USFWS) agreed that all preserve lands east of Otay Lakes and within the National Wildlife Refuge (NWR) boundary will be transferred directly to the USFWS
  - Conveyances will be transferred directly to USFWS
  - USFWS will manage land without financial assistance from CFD or other financing or exaction mechanism imposed by the City or County
  - USFWS will be relieved of any and all RMP obligations associated with the transferred lands and would manage the lands in accordance with the NWR System Administrative Act of 1996 (Refuge Act)
- Upon discussing the Baldwin Agreement with the USFWS and the Refuge, they recommended approaching other public land managers who also owned land in the area, including the Bureau of Land Management (BLM), CA Dept. of Fish and Game (CDFG), and the City of San Diego (CiSD) to determine if they are interested in managing some of the land.
- Ownership of preserve lands: Fee title transferred directly to the other public agencies
- Policy Decisions: Agencies who accept fee title to the land
- Funding: Refuge, CDFG, & BLM to fund management & monitoring (City cannot transfer CFD 97-2 funds to state and feds). Staff to discuss if funds can be transferred to the CiSD.



- The POM will need to determine an appropriate POM for the remainder preserve lands. Ownership, policy decisions, and funding for the remainder preserve lands is dependent on the POM chosen.

### **THIRD PARTY POM**

- Pursuant to Section II.A. of the RMP2:
  - POM will oversee the day-to-day and long-range activities within the Resource Preserve
  - POM will take an active role in the maintenance and enhancement of biological resources
  - POM will take on development of educational programs, and the implementation of Phase 1 and 2 RMP policies related to management of the resource preserve
  - POM will participate in the decision-making processes for all activities and amendments to the GDP or RMP or both that potentially effect the integrity of the resource preserve
- Ownership of preserve lands: Fee title transferred directly to the Third Party entity
- Policy Decisions: City & County since they ultimately approve any changes to the GDP/SRP and RMPs
- Funding: Same as Existing POM

### **CREATION OF NON-GOVERNMENTAL ORGANIZATION (NGO) TO SERVE AS PRESERVE STEWARD/BIOLOGIST**

- NGO as land manager only
- City/County to maintain responsibility for reviewing all activities and amendments to the GDP or RMP or both that potentially effect the integrity of the Preserve.
- Ownership of preserve lands: Same as Existing POM
- Policy Decisions: Same as Existing POM
- Funding: Same as Existing POM

### **JURISDICTIONAL POMS - OPTION 1: EACH JURISDICTION MANAGES CONVEYED PRESERVE LAND WITHIN THEIR RESPECTIVE JURISDICTION**

- Each jurisdiction to serve as POM and manage land within their respective jurisdictional boundary (City to serve as POM for City land, County to serve as separate POM for County land)
- No coordination between each jurisdiction on policy issues (i.e., no JPA, PMT or PC)
  - Independent GDP/SRP and RMP documents
- Ownership of preserve lands: City for preserve lands within their jurisdiction & County for preserve lands in the unincorporated
- Policy Decisions: City for their jurisdiction, County for their jurisdiction
- Funding: Same as Existing POM, however City & County must come to a funding/payment agreement, including a per acre cost to manage and monitor the lands

### **JURISDICTIONAL POMS - OPTION 2: EACH JURISDICTION MANAGES CONVEYED LAND ASSOCIATED WITH A DEVELOPMENT PROJECT ENTITLED/PERMITTED BY THEIR RESPECTIVE JURISDICTION**

- Each jurisdiction to serve as POM and manage land entitled/permitted by their respective jurisdiction (City to serve as POM for conveyances associated with Villages within the City's jurisdiction, County to serve as POM for conveyances associated with Villages 13 and 17)

- Ownership of preserve lands: City for preserve lands associated with City development projects & County for preserve lands associated with County development projects
- Policy Decisions: City & County since they ultimately approve any changes to the GDP/SRP and RMPs
- Funding: For the City, CFD 97-2 & for the County, CFD or like funding mechanism to be created for V13 & V17

## FUTURE POM ALTERNATIVES

*09.30.09*

	ALTERNATIVE 1	ALTERNATIVE 2	ALTERNATIVE 3	ALTERNATIVE 4	ALTERNATIVE 5	ALTERNATIVE 6
	Existing POM	Other Agencies (NWR, CDFG, BLM, & CiSD) manage lands east of Otay Lakes/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM	Creation of Non-Governmental Organization (NGO) to serve as Preserve Steward/Biologist	Jurisdictional POMs Option 1: Each jurisdiction manages conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction manages conveyed land associated with a development project entitled/permitted by their respective jurisdiction
<b>PROS/STRENGTHS</b>	<ul style="list-style-type: none"> <li>+ County and City are currently serving as preserve land managers</li> <li>+ County and City have served as the POM for 12 years and have the experience and resources to manage the Preserve</li> <li>+ Limits the number of land managers within Otay Ranch Preserve to one entity</li> <li>+ County and City will rely on the contracted Preserve Steward/Biologist to communicate the on-going condition of the Preserve to the POM. The Preserve Steward/Biologist will be assigned to complete basic stewardship tasks, complete biological surveys, and attend land managers monitoring and coordination meetings.</li> <li>+ The Preserve Steward/Biologist will have the technical knowledge of specific resource needs and priorities</li> <li>+ With the technical knowledge of specific resource needs and priorities, the Preserve Steward/Biologist will be able to better estimate the costs of needed management and monitoring tasks.</li> <li>+ The number of PMT and/or Policy Committee meetings may be reduced from quarterly to semi-annually or annually as progress is made by the newly hired Preserve Steward/Biologist.</li> </ul>	<ul style="list-style-type: none"> <li>+ NWR, CDFG, BLM, &amp; CiSD already own land east of Otay Lakes creating an efficiency in land management due to adjacency</li> <li>+ Adding preserve lands to the existing NWR, CDFG, BLM, &amp; CiSD conserved lands will create a better preserve design for the other Agencies.</li> <li>+ Other Agencies will take on the management and monitoring requirements of lands transferred to them</li> <li>+ In the past, the Refuge agreed to manage the lands at no cost to Otay Ranch projects</li> <li>+ The County and City will need to identify a POM for a smaller portion of land, which may be more manageable for Third Party POM.</li> <li>+ The existing POM, or an alternative POM, can focus more on recreation, and environmental education and research projects in the Otay Valley Parcel. These efforts can be coordinated with the Otay Valley Regional Park (OVRP) Joint Staff.</li> <li>+ Assessment rates will likely decrease since it is unlikely that the County or the City will have the need to levy for the maximum assessment amounts possible</li> </ul>	<ul style="list-style-type: none"> <li>+ Limits the number of land managers within Otay Ranch Preserve to one entity</li> <li>+ One entity will be responsible for all POM tasks, i.e. resource protection, monitoring and management, environmental education, research, recreation, and enforcement activitiesThird Party POM may be able to spend more time completing on-the-ground management tasks than administrative tasks</li> <li>+ Because the Third Party POM may have more time for on-the-ground management tasks, they will have the technical knowledge of specific resource needs and priorities</li> <li>+ With the technical knowledge of specific resource needs and priorities, a Third Party POM will be able to better estimate the costs of needed management and monitoring tasks.</li> </ul>	<ul style="list-style-type: none"> <li>+ Limits the number of land managers within Otay Ranch to one entity</li> <li>+ NGO's sole purpose will be to manage and monitor the Preserve</li> <li>+ NGO may have volunteers conduct basic stewardship tasks (i.e., weed and trash removal, fence maintenance) reducing costs for management tasks</li> <li>+ NGO may have staff/volunteers with the technical knowledge to determine specific biological resource needs and priorities</li> <li>+ With the technical knowledge of specific biological resource in the Preserve, NGO will be able to better estimate the costs for management and monitoring tasks</li> <li>+ NGO may have the ability to seek and pursue grant opportunities</li> <li>+ NGO may be able to provide more public outreach as envisioned in RMP</li> <li>+ City and County would maintain control of Preserve lands by holding fee title</li> <li>+ The number of PMT and/or Policy Committee meetings may be reduced from quarterly to semi-annually or annually as progress is made by the NGO.</li> </ul>	<ul style="list-style-type: none"> <li>+ County and City can serve as preserve land managers</li> <li>+ Limits the number of land managers within Otay Ranch Preserve</li> <li>+ Eliminate the need for a joint PMT and Policy Committee</li> <li>+ County and City will be independent POMs <ul style="list-style-type: none"> <li>▪ Policy issues would be resolved by each respective jurisdiction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>+ County and City can serve as preserve land managers</li> <li>+ Limits the number of land managers within Otay Ranch Preserve</li> <li>+ Budget issues would be resolved by each respective jurisdiction</li> </ul>

	ALTERNATIVE 1  Existing POM	ALTERNATIVE 2  Other Agencies (NWR, CDFG, BLM, & CiSD) manage lands east of Otay Lakes/Determine appropriate POM for remaining conveyed preserve lands	ALTERNATIVE 3  Third Party POM	ALTERNATIVE 4  Creation of Non-Governmental Organization (NGO) to serve as Preserve Steward/Biologist	ALTERNATIVE 5  Jurisdictional POMs Option 1: Each jurisdiction manages conveyed preserve land within their respective jurisdiction	ALTERNATIVE 6  Jurisdictional POMs Option 2: Each jurisdiction manages conveyed land associated with a development project entitled/permitted by their respective jurisdiction
<b>CONS/RISKS</b>	<ul style="list-style-type: none"> <li>- Because the County and the City are joint POMs, policy decisions must be made by consensus. Policy decisions require a unanimous vote by the Policy Committee. If a unanimous vote cannot be reached, it may require mediation, and may hold up pending conveyances until the policy issue is resolved, i.e. future infrastructure.</li> <li>- The PMT and Policy Committee currently meet quarterly which requires staff to focus on administrative tasks much more than was originally anticipated.</li> </ul>	<ul style="list-style-type: none"> <li>- There will be multiple land managers for Otay Ranch. Standard survey methodologies and reporting forms should be utilized to insure consistency.</li> <li>- Economy of scale for the management and monitoring of the preserve will be reduced</li> <li>- CFD-92 is not available for use on lands owned, maintained, operated, and/or managed by the federal and/or state govt.</li> <li>- A POM will still need to be identified for remaining preserve lands</li> </ul>	<ul style="list-style-type: none"> <li>- Limited qualified candidates. Previously, the County and City could not find an acceptable candidate to serve as POM.</li> <li>- To date, the City is unable to find an acceptable entity that is willing to accept the management and monitoring responsibilities of Chula Vista MSCP Preserve land.</li> <li>- If policy issues arise, they may need to be resolved jointly by the County and the City.</li> </ul>	<ul style="list-style-type: none"> <li>- Limited interest from existing land managers/biologist to establish NGO</li> <li>- NGO is part of the existing POM structure in that there is still the need for a County and City POM Policy Committee, PMT, and Staff to review the NGO monitoring reports and ensure that the RMP tasks and all POM responsibilities are being completed.</li> <li>- If policy issues arise, they will need to be resolved jointly by the County and the City see (see Existing POM Cons/Risks)</li> </ul>	<ul style="list-style-type: none"> <li>- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.</li> <li>- The County and City will need to agree on per acre rates for management and monitoring costs of conveyed preserve lands.</li> </ul>	<ul style="list-style-type: none"> <li>- The County and the City may contract with different consultants to complete baseline and on-going monitoring. Standard survey methodologies and reporting forms should be utilized to insure consistency.</li> <li>- If policy issues arise, they will need to be resolved jointly by the County and the City see (see Existing POM Cons/Risks)</li> </ul>
<b>IMPLEMENTATION STEPS</b>  <b>NOTES:</b>  1. All POM alternatives with the exception of Existing POM will require County and City to amend or dissolve current Otay Ranch JPA and amend RMP (requires Board of Supervisor and City Council action)  2. POM staff to update and provide recommendations to the PMT and PC at critical points of any alternative(s) chosen.	N/A – Status Quo	<b>Preserve Lands east of Otay Lakes</b>  1. County and City to begin discussions w/ other Agencies’ land managers regarding transferring management and monitoring responsibilities of conveyed and future conveyances into the Otay Ranch Preserve lands to the Agencies  2. County and City to outline current land management requirements per Otay Ranch regulatory documents (i.e., Otay Ranch GDP/SRP, Otay Ranch EIR conditions of approval, RMP, and IA/MSCP Subarea Plans)  3. The County and the City must verify that the lands will continue to be managed and monitored as outlined in the Otay Ranch EIR. If not, the County and the City may decide to modify the Otay Ranch EIR as required by CEQA or choose not to transfer lands to	1. County and City to discuss and come to consensus on the following: <ul style="list-style-type: none"> <li>▪ Qualification for Third Party POM</li> <li>▪ Roles of the County and City including the administration of the contract</li> </ul> 2. Meet with Working Group to re-evaluate POM qualifications, discuss roles, responsibilities, and goals of the Third Party POM  3. Amend the JPA: <ul style="list-style-type: none"> <li>▪ Redefine roles for County and City</li> <li>▪ Identify the responsibility of the Third Party POM</li> <li>▪ Change JPA to state title to the lands to be conveyed will be held by Third Party POM</li> </ul> 4. County and City advertise a Request for Statements of Qualifications for a Third Party	1. City and County to solicit current land managers/biologist interested in creating an NGO  2. Identify the purpose and goals of NGO  3. Establish the qualifications of board members and their authority  4. Establish roles and functions of the City, County, and Board  5. Establish Board of Directors/ Advisory Board (With oversight and approval from the City and County)  6. Identifying “bylaws” or rules under which the NGO will operate  7. Establish Three-Party Agreement between City, County, and NGO Identify staffing and budget needs	1. Dissolve JPA and amend GDP/SRP and RMP: <ul style="list-style-type: none"> <li>▪ Each jurisdiction will solely be responsible for policy interpretations and/or future amendments to the documents originally approved jointly by the County and the City</li> <li>▪ Redefine POM Management Structure including the roles of the County and City</li> </ul> 2. Review MSCP requirements with Wildlife Agencies in order to determine if a MOU between the County, City, and Wildlife Agencies is needed to clarify MSCP obligations  3. Draft MOU between County and City. MOU to identify a funding agreement.	1. Amend GDP/SRP and RMP: <ul style="list-style-type: none"> <li>▪ Determine a process for future policy interpretations and/or amendments to the jointly approved documents (GDP/SRP and RMPs)</li> <li>▪ Redefine POM Management Structure including the roles of the County and City</li> </ul> 2. Review of MSCP requirements with Wildlife Agencies in order to determine if a separate agreement is needed between the County, City, and Wildlife Agencies to clarify MSCP obligations  3. Appropriate parties to enter into the MOU  4. Each jurisdiction may choose to manage and monitor the conveyed lands via contracting with a Preserve Biologist/Steward or contracting with consultants to complete required biological and cultural surveys (as-needed).

	ALTERNATIVE 1	ALTERNATIVE 2	ALTERNATIVE 3	ALTERNATIVE 4	ALTERNATIVE 5	ALTERNATIVE 6
	Existing POM	Other Agencies (NWR, CDFG, & BLM, CiSD) manage lands east of Otay Lakes/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM (including the option of a Non-Governmental Organization)	Creation of Non-Governmental Organization (NGO) to serve as Preserve Steward/Biologist	Jurisdictional POMs Option 1: Each jurisdiction manages conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction manages conveyed land associated with a development project entitled/permitted by their respective jurisdiction
IMPLEMENTATION STEPS (cont'd)		<p>Agencies who are not willing to manage and monitor the lands according to the Otay Ranch EIR.</p> <p>4. County, City, and agreeable Agencies to determine distribution of lands. In the event multiple Agencies are interested in taking the same parcel of land, the County and City will select an Agency based on their respective land management requirements.</p> <p>5. County and City to discuss the following with USFWS and CDFG (regulatory staff):</p> <ul style="list-style-type: none"> <li>Determine if Agency accepting the Preserve land will be required to implement Otay Ranch GDP/SRP and RMP management and monitoring requirements</li> <li>Determine if amendments to the Otay Ranch regulatory documents and County and City's IA and MSCP will be required to address the transfer of management and monitoring responsibilities</li> </ul> <p>6. Agencies to coordinate with their respective land acquisition/realty specialists to identify conditions and requirements for land transfersCounty and City to meet with each Agency individually to determine if land transfer conditions and requirements can be met and their process and timing for transferring land. County and City conditions to include public access (trails) and future infrastructure.</p> <p>7. If conditions are acceptable to all parties, County, City, and agreeable Agencies to draft a MOU. MOU to include the following:</p> <ul style="list-style-type: none"> <li>A condition that State Agencies manage and monitor lands at no cost to Otay Ranch</li> </ul>	<p>POM (the SOW will be similar to the Preserve Biologist/Steward SOW)</p> <p>4. County and City interview qualified candidates</p> <p>5. County and City select a Third Party POM</p> <p>6. County, City, and Third Party POM enter into a three-party contract (may require City Council action)</p> <p>7. Meet with Working Group and Third Party POM to determine priorities and establish work plan</p> <p>8. Present work plan to the PMT and PC for approval and initiation</p> <p><b>Note:</b> County and City POM Policy Committee, PMT, and Staff shall continue to review the Third Party POM management and monitoring reports to ensure that the RMP tasks and all POM responsibilities are being completed. County and City POM Policy Committee would continue to take action on Policy issues.</p>		<ul style="list-style-type: none"> <li>Funding agreement is needed as development impacts and associated CFD may be located in one jurisdiction and the associated conveyance land may be in the other jurisdiction.</li> <li>Funding agreement to include a per acre cost to manage and monitor the land</li> <li>Funding agreement to include a payment schedule</li> </ul> <p>4. County and City to enter into the MOU</p> <p>5. Each jurisdiction to manage and monitor conveyed lands within their jurisdiction independently.</p> <ul style="list-style-type: none"> <li>Each jurisdiction may choose to manage and monitor the conveyed lands via contracting a Preserve Biologist/Steward or contracting consultants to complete required biological and cultural surveys (as-needed).</li> </ul> <p>6. Each jurisdiction independently advertises for a Preserve Biologist/Steward or consultant</p> <p>7. Each jurisdiction interviews qualified candidates.</p> <p>8. Each jurisdiction independently selects a Preserve Biologist/Steward or consultant.</p> <p>9. Each jurisdiction independently enters into a contract with their selected candidate (may require City Council action).</p>	<p>5. Each jurisdiction independently advertises for a Preserve Biologist/Steward or consultant</p> <p>6. Each jurisdiction interviews qualified candidates.</p> <p>7. Each jurisdiction independently selects a Preserve Biologist/Steward or consultant.</p> <p>8. Each jurisdiction independently enters into a contract with their selected candidate (may require City Council action).</p>

	ALTERNATIVE 1	ALTERNATIVE 2	ALTERNATIVE 3	ALTERNATIVE 4	ALTERNATIVE 5	ALTERNATIVE 6
	Existing POM	Other Agencies (NWR, CDFG, & BLM, CiSD) manage lands east of Otay Lakes/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM (including the option of a Non-Governmental Organization)	Creation of Non-Governmental Organization (NGO) to serve as Preserve Steward/Biologist	Jurisdictional POMs Option 1: Each jurisdiction manages conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction manages conveyed land associated with a development project entitled/permitted by their respective jurisdiction
IMPLEMENTATION STEPS (cont'd)		<ul style="list-style-type: none"><li>▪ A condition that Agencies manage and monitor lands per MSCP &amp; Otay Ranch EIR requirements</li><li>▪ A process on transferring future conveyances from developers to the Agencies</li></ul> <p>8. Enter into a MOU with agreeable Agencies (requires Board of Supervisors and City Council action)</p> <p>9. County and City to provide evidence that lands currently conveyed to the POM meet the Agencies' conditions and requirements</p> <p>10. If the conveyed lands meet the Agencies' conditions and requirements, County and City to quitclaim the San Ysidro property (517 acres) and transfer it to the accepting Agency</p> <p><b>Remaining conveyed preserve lands</b></p> <p>City and County to decide appropriate POM for remaining conveyed Preserve lands</p> <ul style="list-style-type: none"><li>▪ POM staff to consider Working Group comments on the POM alternatives then rank the remaining POM alternatives accordingly</li><li>▪ POM staff to make recommendation to the PMT and PC</li></ul>				



	ALTERNATIVE 1	ALTERNATIVE 2	ALTERNATIVE 3	ALTERNATIVE 4	ALTERNATIVE 5	ALTERNATIVE 6
	Existing POM	Other Agencies (NWR, CDFG, & BLM, CiSD) manage lands east of Otay Lakes/Determine appropriate POM for remaining conveyed preserve lands	Third Party POM (including the option of a Non-Governmental Organization)	Creation of Non-Governmental Organization (NGO) to serve as Preserve Steward/Biologist	Jurisdictional POMs Option 1: Each jurisdiction is responsible for implementing POM tasks and responsibilities as outlined in the RMPs on conveyed preserve land within their respective jurisdiction	Jurisdictional POMs Option 2: Each jurisdiction manages conveyed land associated with a development project entitled/permitted by their respective jurisdiction
FEASIBILITY	N/A – Status Quo	<ul style="list-style-type: none"><li>- Will the Refuge, CDFG, BLM, and/or City of SD accept lands without any funding for management and monitoring?</li><li>- Will the County, City, and City of SD, as the signatories to the OVRP JEPA, want to absorb POM responsibilities for the Otay Valley parcel Preserve lands?</li></ul>	<ul style="list-style-type: none"><li>- Are there qualified candidates for this size of a Preserve?</li><li>- How different is a Third Party POM from the status quo?</li></ul>	<ul style="list-style-type: none"><li>- Will there be enough interest from the existing land managers/biologist to create an NGO?</li><li>- Will those individuals/organization interested in creating and working with the NGO be qualified?</li></ul>	<ul style="list-style-type: none"><li>- County and City will need to come to consensus on a funding agreement.</li><li>- Legal consultation is needed to determine how jointly approved documents (GDP/SRP and RMPs) will be implemented or amended if County and City are each solely responsible for policy interpretations and/or future amendments to the documents</li></ul>	Legal consultation is needed to determine how jointly approved documents (GDP/SRP and RMPs) will be implemented or amended if County and City are each solely responsible for policy interpretations and/or future amendments to the documents.
ESTIMATED TIMELINE	N/A – Status Quo	<b>Lands east of Otay Lakes</b> <ul style="list-style-type: none"><li>- Dependent on on-going discussions with the Agencies and if County and City can meet the Agencies’ land transfer conditions and requirements.</li></ul> <b>Remaining conveyed preserve lands</b> <ul style="list-style-type: none"><li>- Dependent on which POM structure is chosen</li></ul> Estimated to be ~ 1 year -3 years	~ 1 year	~ 1 year	~ 1 year	~ 1 year



Actuals/Projected Expenditures for FY08-09 POM Budget

Tasks	Budget	Actual Expenditures for Quarter 1-3	Projected Expenditures for Quarter 4	Actual Expenditures (Q1-4)	Balance	Notes
Administration						
CFD Consultant	\$18,000	\$13,067.79	\$4,918.17	\$17,985.96	\$14.04	Calculation of max tax and tax rates for district. Addresses period inquiries from POM staff/City Finance staff
City Staff/County Staff Time						
City Staff						
Environmental Manager	\$20,800	\$12,551.11	\$6,360.99	\$18,912.10	\$1,887.90	Meeting prep for PMT/PC , Working Group, and POM staff meetings. Research and budget prep. Coordination w/County POM staff and Resource Agencies.
Engineering	\$15,000	\$9,393.40	\$2,498.93	\$11,892.33	\$3,107.67	City Finance staff addresses CFD inquiries related to expeditures. Reserves, and FY budget
Counsel	\$5,000	\$22,165.00	\$5,914.00	\$28,079.00	-\$23,079.00	Legal staff recently assigned. Time spent getting up to speed and conducting research for coorespondence to County Counsel regarding future infrastructure. Also attends briefings and PMT/PC meetings.
County Staff						
DPR Staff	\$52,456	\$44,115.14	\$17,841.22	\$61,956.36	-\$9,500.36	Coordinates and attends POM Staff, Working Group, PMT, and Policy Committee meetings; Prepares agendas, handouts, and presentations for POM meetings; Coordinates acceptance of fee title transfers and acknowledgment/acceptance of IODs; Edits management plans; Manages the biological monitoring contract; Manages the POM website; Reviews planning documents that may impact the Preserve; and Coordinates with OVRP Joint Staff.
Counsel	\$4,496	\$15,462.90	\$7,058.70	\$22,521.60	-\$18,025.60	Attends POM briefings and PMT/PC meetings. Reviews/responds to POM documents as needed.
General Services	\$2,748	\$700.00	\$0.00	\$700.00	\$2,048.00	Reviews Preliminary Title Reports and
Administration Total	\$118,500	\$117,455.34	\$44,592.01	\$162,047.35	-\$43,547.35	
Preserve Operation and Maintenance						
County Seasonal Park Attendant	\$36,000	\$23,499.06	\$10,264.80	\$33,763.86	\$2,236.14	Attends site visits with POM Staff and Applicants prior to land being conveyed to the POM; Removes trimmings, rubbish, debris, and other solid waste from POM lands; Maintains existing truck trails to POM lands; Enforces the "no trespassing" rules by patrolling access routes and prohibiting off-road traffic; Maintains fences and gates; and Coordinates with other law enforcement agencies.
Preserve Equipment and Improvements						
Fence Maintenance	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	At this time, the Seasonal Ranger has not identified areas in need of fencing repairs
Minor Equipment, i.e. Hand/Power Tools	\$5,000	\$0.00	\$0.00	\$0.00	\$5,000.00	At this time, the purchasing of hand/power tools is not necessary. Current funds may be needed for replacement of damaged tools.
Signs	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	Currently the supply of signage is adequate. Purchasing of new signage is not anticipated at this time.
Preserve Operation and Maintenance Total	\$47,000	\$23,499.06	\$10,264.80	\$33,763.86	\$13,236.14	
Resource Monitoring Program						
Biological Resources: Expanded/Enhanced Baseline Survey OR Active Management	\$100,000	\$0.00	\$56,000.00	\$56,000.00	\$44,000.00	Monies to be carried forward to FY09/10 budget in order to conduct surveys in Spring 2009. As part of the existing Dudek contract, the following tasks will be completed:  - Initial CAGN survey for 300 acres not previously identified in contract - Spring floral surveys - QCB surveys - Herp arrays  Total cost for these task is esimated at \$89,200. The remaining \$10,800 will be reallocated to the Preserve Steward/Biologist as directed by the PMT on March 17, 2009 at a Special PMT Meeting.  Working Group provided recommendations for reallocation of remaining funds. Complete list of tasks to be completed is provided separately.
Biological Resources: On-Going Surveys	\$65,000	\$0.00	\$0.00	\$0.00	\$65,000.00	Monies to be carried forward to FY09/10 budget in order to fund a contract for a Preserve Steward/Biologist as directed by the PMT on March 17, 2009 at a Special PMT Meeting.
Baseline Survey	\$175,000	\$0.00	\$0.00	\$0.00	\$175,000.00	This amount was to be used to conduct baseline biological surveys for land to be conveyed to the POM in 2008. Land was not transferred to the POM, therefore, the funding will be reallocated to the Preserve Steward/Biologist as directed by the PMT on March 17, 2009 at a Special PMT Meeting.
Resource Monitoring Program Total	\$340,000	\$0.00	\$56,000.00	\$56,000.00	\$284,000.00	
SUB TOTAL FY08-09 (Admin, Maint, and Monitoring)	\$505,500	\$140,954.40	\$110,856.81	\$251,811.21	\$253,688.79	
Carry forward from Y07-08 Resource Monitoring Program	\$60,000	\$0.00	\$0.00	\$0.00	\$60,000.00	Although no money has been expended at this time, the following tasks have been completed in association with the existing Dudek contract:  - vegetation mapping - invasive plants - floral surveys - cagn/cawr surveys - avian wetlands species - general butterfly surveys  A final baseline biological report is expected to be submitted by Summer 09. Because this submittal will be completed in the upcoming fiscal year, this amount will be carried forward to the FY09/10 budget.
GRAND TOTAL	\$565,500	\$140,954	\$110,857	\$251,811.21	\$313,688.79	

POM Budget Forecast (CFD 97-2)

Showing FY07-08 thru FY13-14  
September 30, 2009

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FISCAL YEAR	NUMBER OF TAXABLE PARCELS <sup>1</sup>	AVERAGE PER PARCEL ASSESSMENT <sup>2</sup> (D/B)	MAXIMUM LEVY AMOUNT	CHANGE IN REVENUE FROM ASSESSMENT COMPARED TO PREVIOUS FY (D2-D1/D2)	REVENUE <sup>3</sup> [D-(D*0.15)]	AVAILABLE BALANCE (RESERVE) <sup>4</sup>	HEALTH OF THE CARRY FORWARD BALANCE (RESERVE) <sup>5</sup> (G/D)	INTEREST EARNED ON FUND BALANCE <sup>6</sup>	TOTAL ANNUAL FUNDING AVAILABLE (F+G+I+ O <sup>Previous FY</sup> )	BUDGET	ADMIN (INCLUDES COLA)	PRESERVE STEWARD/ BIOLOGIST <sup>7</sup>	TOTAL EXPENDITURES (L+M)	FUNDS TO BE ROLLED OVER TO FOLLOWING FY <sup>8</sup> (Earmarked Funds)	ACTUAL YEAR- END BALANCE J-N	AVAILABLE FUND BALANCE (ACTUAL YEAR END BALANCE - ROLL OVER FUNDS) (P-O)
1 2007-08	9,536	\$40.12	\$382,623		\$362,206	\$284,045	94.68%	\$17,488	\$663,739	\$300,000	\$171,881	\$50,000	\$221,881	\$60,000	\$441,858	\$381,858
2 2008-09	10,212	\$49.97	\$510,339	25.03%	\$452,951	\$381,858	67.53%	\$17,599	\$912,408	\$565,500	\$162,047	\$56,000	\$218,047	\$340,000	\$634,361	\$294,361
3 2009-10	10,212	\$50.01	\$510,673	0.07%	\$434,072	\$294,361	33.79%	\$15,000	\$1,083,433	\$871,265	\$127,765	\$743,500	\$871,265	\$0	\$212,168	\$212,168
4 2010-11	10,212	\$51.51	\$525,993	2.91%	\$445,779	\$212,168	44.90%	\$15,000	\$672,947	\$472,500	\$131,598	\$340,902	\$472,500	\$0	\$200,447	\$200,447
5 2011-12	10,212	\$53.05	\$541,773	2.91%	\$459,153	\$200,447	39.81%	\$15,000	\$674,600	\$503,500	\$135,546	\$367,954	\$503,500	\$0	\$171,100	\$171,100
6 2012-13	10,212	\$54.64	\$558,026	2.91%	\$472,927	\$171,100	32.01%	\$15,000	\$659,027	\$534,500	\$139,612	\$394,888	\$534,500	\$0	\$124,527	\$124,527
7 2013-14	10,212	\$56.28	\$574,767	2.91%	\$487,115	\$124,527	21.94%	\$15,000	\$626,642	\$567,500	\$143,801	\$423,699	\$567,500	\$0	\$59,142	\$59,142

Assumptions:

- <sup>1</sup>The number of taxable parcels will be updated as more development within Otay Ranch is completed or annexed into the district.
- <sup>2</sup>The Average per parcel assessment is for illustrative purposes only, as parcel classification varies and effects each parcel's tax rate.
- <sup>3</sup>Revenue factors a delinquency rate of 15% to the levy amount. This delinquency rate reflects the average delinquency rate for the FY08/09 collection year.
- <sup>4</sup>The Carry Forward Budget (Reserve) is equal to the funds remaining at the end of the previous fiscal year.
- <sup>5</sup>The Health of the Carry Forward Budget (Reserve) is equal to the Carry Forward balance over the Maximum Levy Amount. The minimum amount is set by the City's Open Space Policy, i.e. Minimum is 50% of the FY Total Budget, maximum is 100% of the FY Total Budget. Ideal Reserve health is between 75% to 100%.
- <sup>6</sup>The actual interest earned for FY07-08 was \$17,488 and FY08-09 was \$17,599. For every FY after 08-09, it is assumed that the fund balance will earn \$15,000 in interest.
- <sup>7</sup>Pursuant to the 3/13/09 Special PMT meeting, it was determined that the Preserve Steward/Biologist would conduct basic stewardship duties, management, and monitoring tasks (including baseline surveys on new land conveyed to the POM and on-going management and monitoring of land currently under POM ownership). Costs associated with operations and maintenance, baseline surveys, and on-going monitoring will be reassessed each fiscal year based on a proposed work plan to be prepared by the Preserve Steward/Biologist.
- <sup>8</sup>The Funds to be Rolled Over to Following Fiscal Year is equal to funds remaining at the end of the fiscal year that were earmarked for a specific task(s) that were not completed during the fiscal year. Therefore, the funds will be "rolled over" into the following fiscal year.

Note to Reader:

Approval of Village 13, within the unincorporated County, will require the creation and implementation of a CFD administered by the County of San Diego. This will help defray the costs to manage and monitor the Preserve once homes are built and assessments charged. For FY07/08 and FY08/09, staff has updated the costs associated with administration, operations and maintenance, and monitoring with the actual expenditures. The budget amounts shown for FY2010/2011 through FY2013/2014 are estimates only. Each fiscal year, the budget will be reassessed based on a proposed work plan to be prepared by the Preserve Steward/Biologist. The estimated budgets assumes the cost of one-time baseline surveys for new land conveyed to the POM and on-going monitoring of land under POM management. The cost for baseline surveys is calculated at \$225/ac. It is anticipated that 500 acres will be conveyed to the POM each year after FY09-10. For on-going monitoring, the cost for on-going biological surveys is calculated at \$50/acre.